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AFL-CIO could help fund Spire construction

By Mary Ellen Podmolik

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A deep-pocketed AFL-CIO pension fund is meeting with Chicago Spire developer Shelbourne Development Group Tuesday in Chicago to advance discussions that could have the pension fund help pay for construction of the stalled skyscraper.

Discussions between the AFL-CIO Investment Trusts and Irish developer Garrett Kelleher began in January but the talks are in the "embryonic stage," said Tom Villanova, president of the Chicago and Cook County Building Trades Council, which represents 24 trades locally.

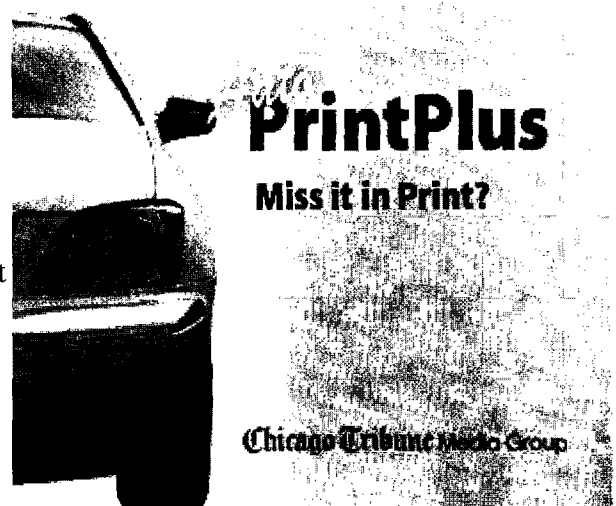
"The main thing is jobs," Villanova said. "We can use our own funds to benefit members. The Spire is going to be five years of construction, which is just phenomenal for us. It's thousands of jobs."

An investment by the pension fund would make the project a 100 percent union job. "Obviously, the idea of pulling the unions together and making this a 'Made in America' project is very positive," said Spire spokesman Kim Metcalfe, who confirmed discussions with the union.

"We're exploring all of the financial options with the economy as challenging as it is, but clearly this is long-term," Metcalfe said. "We're working toward the success of the building. We continue to actively market the building. Clearly, the construction of the building is on pause but nothing else about the building has stopped."

The Spire remains a 76-feet deep by 110-feet wide hole in the ground at 400 N. Lake Shore Drive, a worldwide symbol of the recession and shut-down credit markets. It has had numerous mechanics liens filed against it as consultants and contractors involved in the initial work sought payment for their services. Architect Santiago Calatrava, who designed the twisting building, filed liens against the project in October for more than \$11 million.

The union has three investment trusts, including the Building Investment Trust, a pooled real estate fund with more than \$2.5 billion in assets as of Dec. 31. It was created in 1988 to provide competitive risk-adjusted returns for its participants as well as a way to create jobs at commercial real estate projects for its members.



The Chicago market has proved to be the biggest beneficiary of the fund, with more than \$1 billion invested in local projects, including senior and affordable housing and Trump International Hotel & Tower, Villanova said.

The trust, Villanova added, also is interested in investing in the construction of an Olympic Village, should Chicago win the 2016 games.

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